



# CITY OF LODI

## COUNCIL COMMUNICATION

**AGENDA TITLE:** Notice from Pacific Gas and Electric of filing of Electric Rate Reduction Bonds and 10% Rate Decrease

**MEETING DATE:** June 4, 1997

**PREPARED BY:** City Clerk

**RECOMMENDED ACTION:** Information Only.

**BACKGROUND INFORMATION:** The City Clerk's Office has received an official notice from Pacific Gas and Electric regarding filing of Electric Rate Reduction Bonds and 10% Rate Decrease. This notice is being provided to all state, county and local officials for the purposes of providing information only. No Council action is required.

**FUNDING:** None required.

*Alice M. Reimche*  
Alice M. Reimche  
Acting City Clerk

APPROVED: \_\_\_\_\_

*H. Dixon Flynn*  
H. Dixon Flynn -- City Manager

**Pacific Gas and Electric Company**

77 Beale Street  
San Francisco, CA  
415/973-7497  
Telecopier 415/543-7813

Mailing Address

P.O. Box 7442  
San Francisco, CA 94120

Mark R. Huttman  
Attorney at Law

RECEIVED

MAY 21 AM 10:04

JOSEPH H. PERRINI  
CITY CLERK  
CITY OF LOS ANGELES

May 16, 1997



TO STATE, COUNTY AND CITY OFFICIALS:

**Notice of Filing for Electric Rate Reduction Bonds  
and 10-Percent Rate Decrease**

As required by state law as part of electric industry restructuring, on May 6, 1997, PG&E filed an application (A.97-05-006) requesting California Public Utilities Commission (CPUC) approval for the issuance of up to \$3.5 billion of bonds, called Rate Reduction Bonds. These Rate Reduction Bonds are expected to result in a 10 percent reduction in residential and eligible small commercial customers' electric rates beginning January 1, 1998, and extending as long as March 31, 2002. Other customers' rates will not be affected by this application. Residential and small commercial customers with electric demands of less than 20 kilowatts will be eligible for the rate reduction and responsible to repay the bonds through separate, nonbypassable charges over the term of the bonds, which is expected to be 10 years. As part of this financing transaction, the right to these charges will be sold by PG&E. PG&E will collect and administer the charges, which will be a part of your bill, on behalf of a third party.

Based on PG&E's proposal, the revenue changes for residential and eligible small commercial customers\* would be:

**PROPOSED ELECTRIC REVENUE CHANGES**

Customer Class	Annual Revenue Change (thousands)	Percent Revenue Change
Residential	-317,301	-10%
Eligible Small Commercial	-91,010	-10%
Eligible Medium Commercial	-2,680	-10%
Eligible E-19 Customers	-524	-10%

Other customer groups will not be affected by this proposal.

(\* Eligible customers are those customers who are served on a residential schedule (E-1, EL-1, EM, EML, ET, ETL, ES, ESL, ESR, ESRL, E-7, EL-7, E-A7, EL-A7, E-8, E-9, or

E-SEG), small commercial schedules A-1, AL-1, A-6, and AL-6, and medium commercial customers served on Schedules A-10, AL-10, E-19V or EL-19V whose maximum demand is less than 20 kW for nine billing periods during the most recent 12 months. The applicability for the medium commercial customers shall be assessed on a one-time basis.)

#### How Residential Electric Costs Will Change

If the CPUC approves PG&E's request, a residential customer who uses 500 kilowatthours of electricity will see a monthly electric bill decrease of approximately \$6.08, from \$60.85 to \$54.77 during the summer season (May through October). Individual bills may differ depending on energy use.

#### Evidentiary Hearings

The CPUC may hold hearings to receive comments from PG&E, the CPUC's Office of Ratepayer Advocates and other interested parties. Parties at these hearings may offer proposals that differ from ours. After considering the various proposals, the CPUC will issue a decision and could adopt a mechanism which is different from that proposed by PG&E.

#### For Further Information

You can get more information by writing to Barrett W. Young, PG&E, P.O. Box 7442, San Francisco, CA 94120. Mention that you are writing about Application No. 97-05-006.

A copy of the Application and related exhibits may be reviewed at PG&E's corporate headquarters (77 Beale Street, Room 3120, San Francisco, CA 94105), any of our division offices, or the San Francisco office of the CPUC.

This notice is given in accordance with the requirements of Rule 24 of the CPUC's Rules of Practice and Procedure.

**PACIFIC GAS AND ELECTRIC COMPANY**

BY: \_\_\_\_\_

MARK R. HUFFMAN